



United States Department of the Interior

BUREAU OF LAND MANAGEMENT



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UTU-71165
(UT-045)

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4-8-93

April 8, 1993

CERTIFIED MAIL # P 881 935 394 - RETURN RECEIPT REQUESTED

Joseph Ipson
5 M, Inc.
P.O. Box 752
Hurricane, UT 84737

RECEIVED

APR 22 1993

DIVISION OF
OIL GAS & MINING

Dear Mr. Ipson:

Serious public safety and health problems causing unnecessary or undue degradation of Federal lands have been identified in the Silver Reef area in T. 41 S., R. 14 W., sec. 1 and 12. The Environmental Protection Agency (EPA) has recently identified several hazardous material sites in the area. The primary site is the abandoned sulfuric acid leach pad and associated ponds on the West Buckeye (UMC 30072), Fraction #6 (UMC 41645), and New California (UMC 30070) mining claims. Several smaller sites have also been identified on private property in the area. The Bureau of Land Management's (BLM) inspection of the site has identified abandoned mine and processing equipment on Federal lands. The Utah Division of Oil, Gas, and Mining (UDOGM) Abandoned Mine Land Reclamation Program also identified public safety hazards associated with the abandoned underground mine workings. The preliminary study by the EPA identifies a wetland below the leach site, and soil samples from the wetland contain elevated metals levels, possibly as a result of the leaching operation. Further study and monitoring of this wetland is being done.

Our information indicates that 5M, Inc. is responsible for this site because it was the claimant during the period (1978 through 1982) when the leach site was constructed and active, and it is the claimant of record. 5M, Inc. applied for a patent on these Federal lands and claimed as improvements several of the sites now causing problems. 5M, Inc. filed a "Notice of Intentions to Commence Mining Operations" for the "Silver Reef Mines" in April of 1978 with UDOGM. The existing site appears to be the initial phase of operations described in this notice.

To alleviate the public hazards, several agencies are working together to develop a comprehensive reclamation and rehabilitation plan for the entire site. The EPA and Bureau of Reclamation, in conjunction with UDOGM and BLM, are developing a reclamation plan for the hazardous material sites. The UDOGM Abandoned Mine Land

Reclamation Program and the BLM are developing a rehabilitation plan for the underground mines. After the wetland monitoring studies are completed, a rehabilitation plan for that area will be developed if necessary.

Several instances of noncompliance with the Federal mining regulations (43 CFR 3809) exist on the site. Failure to correct these items will lead to the issuance of a Notice of Noncompliance, and possibly other legal actions.

The mining regulations became effective on January 1, 1981, and required filing a Notice or Plan of Operations for any surface disturbing mining operations on Federal lands. For operations ongoing on January 1, 1981, 43 CFR 3809.1-8 required filing a Notice with 30 days, or a Plan within 120 days. 5M, Inc. apparently failed to comply with this regulation. 5M, Inc. now needs to submit documentation to the BLM specifying and describing the disturbance they are responsible for at the site.

The mining regulations also require that reclamation be done by the operator in a timely manner (43 CFR 3809.1-1). To date it appears that 5M, Inc. has not made any significant effort to reclaim the surface disturbance caused by their operations, although operations ceased several years ago. This failure to reclaim is causing unnecessary or undue degradation of Federal lands. Due to the complexity of the reclamation and rehabilitation, the plan is being developed by the government agencies as described above. 5M, Inc. will need to participate during the final development of the plan, and will need to implement this plan when it is finalized. 5M, Inc. will need to post a bond or bonds ensuring that the plans will be implemented. Due to the Memorandum of Understanding between the BLM and UDOGM, the bond already forfeited to the State will be considered during the calculation of the required BLM bond.

Failure to protect public safety by improper closure of underground mine workings is noncompliance with 43 CFR 3809.3-5. All of the underground mine workings associated with the operation must be reclaimed as specified by UDOGM or the BLM Solid Minerals Reclamation Handbook (H-3042-1).

Abandoning mining or processing equipment on Federal land is a violation of 43 CFR 3809.3-5 and 3809.3-7. All of the equipment, improvements, and material left on the site must be removed. If the equipment or material is contaminated with hazardous substance, it must be disposed of at a properly certified waste disposal facility.

If the wetland is contaminated, and the study indicates the contamination is a result of the leach facility or operation, this will be violation of the Clean Water Act, and 43 CFR 3809.2-2(b). Until the studies are complete, no action by 5M, Inc. in the wetland is authorized.

In summation, 5M, Inc. needs to:

1. Submit documentation to the BLM by May 17, 1993 specifying the disturbance caused by their operations.
2. Begin any environmental and/or engineering studies they feel necessary so they can participate in the reclamation and rehabilitation planning process for the hazardous material site.
3. Design a reclamation plan addressing all underground mine workings associated with the operation. It might be in your interest to consult with the UDOGM Abandoned Mine Lands Reclamation for their input in the design of this plan. The BLM will review this plan and consult with UDOGM to ensure it meets our requirements. Work on this plan should begin immediately. A timetable should be provided to the BLM by May 17, 1993 indicating when the reclamation plan will be submitted for review, and the reclamation schedule and projected completion date. In addition, a reclamation bond will be required.
4. Remove all equipment and mine improvements from Federal land. This work should also begin immediately, and a timetable should be provided to the BLM by May 17, 1993 indicating when such removals will be completed.

If you have any questions concerning this matter, need to discuss the required work, or wish to review the study already completed by EPA please contact Larry Gore of this office.

Sincerely,

/s/Debbie J. Pietrzak

Debbie J. Pietrzak
Area Manager

Enclosure

H-3042-1 (15 pgs.)

✓ cc: Wayne Hedberg, UDOGM
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U-930

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